

**LEGISLATIVE SERVICES AGENCY  
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**FISCAL IMPACT STATEMENT**

**LS 6980**

**BILL NUMBER:** HB 1166

**NOTE PREPARED:** Feb 5, 2009

**BILL AMENDED:**

**SUBJECT:** Notice of Business Closure or Mass Layoff.

**FIRST AUTHOR:** Rep. Tyler

**FIRST SPONSOR:**

**BILL STATUS:** CR Adopted - 1<sup>st</sup> House

**FUNDS AFFECTED:** X GENERAL  
X DEDICATED  
X FEDERAL

**IMPACT:** State & Local

**Summary of Legislation:** This bill requires certain employers to give certain written notice to affected employees before plant closings and mass layoffs that occur after August 31, 2009.

**Effective Date:** July 1, 2009.

**Explanation of State Expenditures:** The bill requires the state, or agency, an officer, or a commission of the state employing at least 50 employees to give at least a 60-day notice in writing of a plant closing or mass layoff resulting in an employment loss of at least 20 employees. The failure to give proper notice is a Class C infraction.

The impact on the state would be as an employer and would probably be minor.

**Explanation of State Revenues:** If additional court cases occur and infraction judgments and court fees are collected, revenue to the state General Fund may increase. The maximum judgment for a Class C infraction is \$500, which is deposited in the state General Fund.

If court actions are filed and a judgment is entered, a court fee of \$70 would be assessed, 70% of which would be deposited in the state General Fund if the case is filed in a court of record or 55% if the case is filed in a city or town court. In addition, some or all of the document storage fee (\$2), automated record keeping fee (\$7), judicial salaries fee (\$18), the public defense administration fee (\$3), the court administration fee (\$5), and the judicial insurance adjustment fee (\$1) are deposited into the state General Fund.

**Explanation of Local Expenditures:** The bill requires a political subdivision, or an agency, a department, an officer, or a commission of a political subdivision employing at least 50 employees to give at least a 60-day notice in writing of a plant closing or mass layoff resulting in an employment loss of at least 20 employees. The failure to give proper notice is a Class C infraction. The impact on local governments would be as an employer and would probably be minor.

**Explanation of Local Revenues:** If additional court actions are filed and a judgment is entered, local governments would receive revenue from the following sources. The county general fund would receive 27% of the \$70 court fee that is assessed in a court of record. Cities and towns maintaining a law enforcement agency that prosecutes at least 50% of its ordinance violations in a court of record may receive 3% of court fees. If the case is filed in a city or town court, 20% of the court fee would be deposited in the county general fund and 25% would be deposited in the city or town general fund. Additional fees may be collected at the discretion of the judge and depending upon the particular type of case.

**State Agencies Affected:** All.

**Local Agencies Affected:** Trial courts, local law enforcement agencies, all local governments with more than 49 employees.

**Information Sources:**

**Fiscal Analyst:** Chuck Mayfield, 317-232-4825.